

The Broad and Important Role of *Marketing* in Value-Added Success

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Fall 2003 Farmer Meeting Series

Objectives

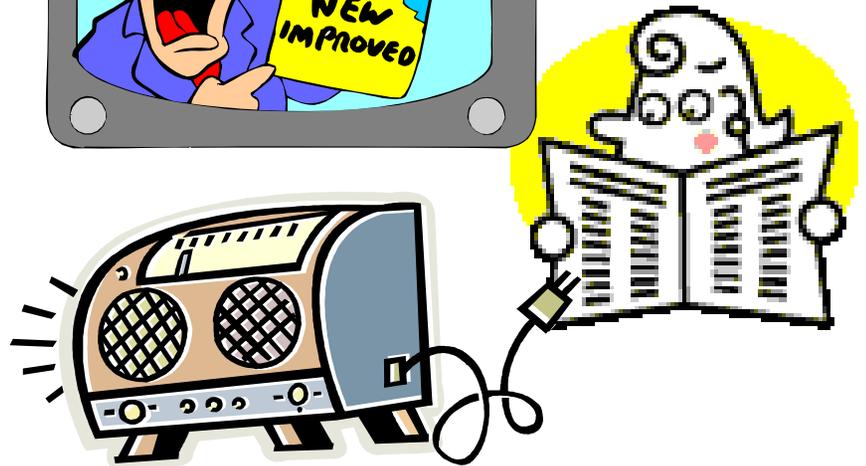
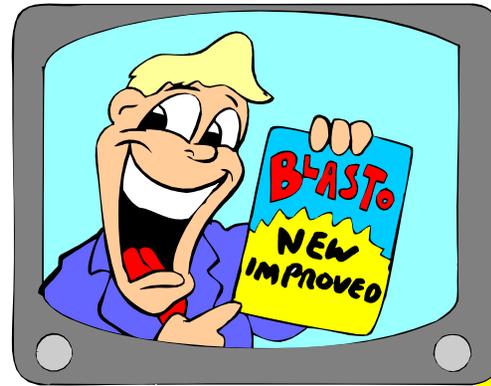
To develop an understanding of marketing in value-added agriculture by discussing 3 questions

- 1) What is marketing?**
- 2) Why do it?**
- 3) How to do it?**

What is marketing?

What marketing is not!

- Only advertising
- A guarantee of product success

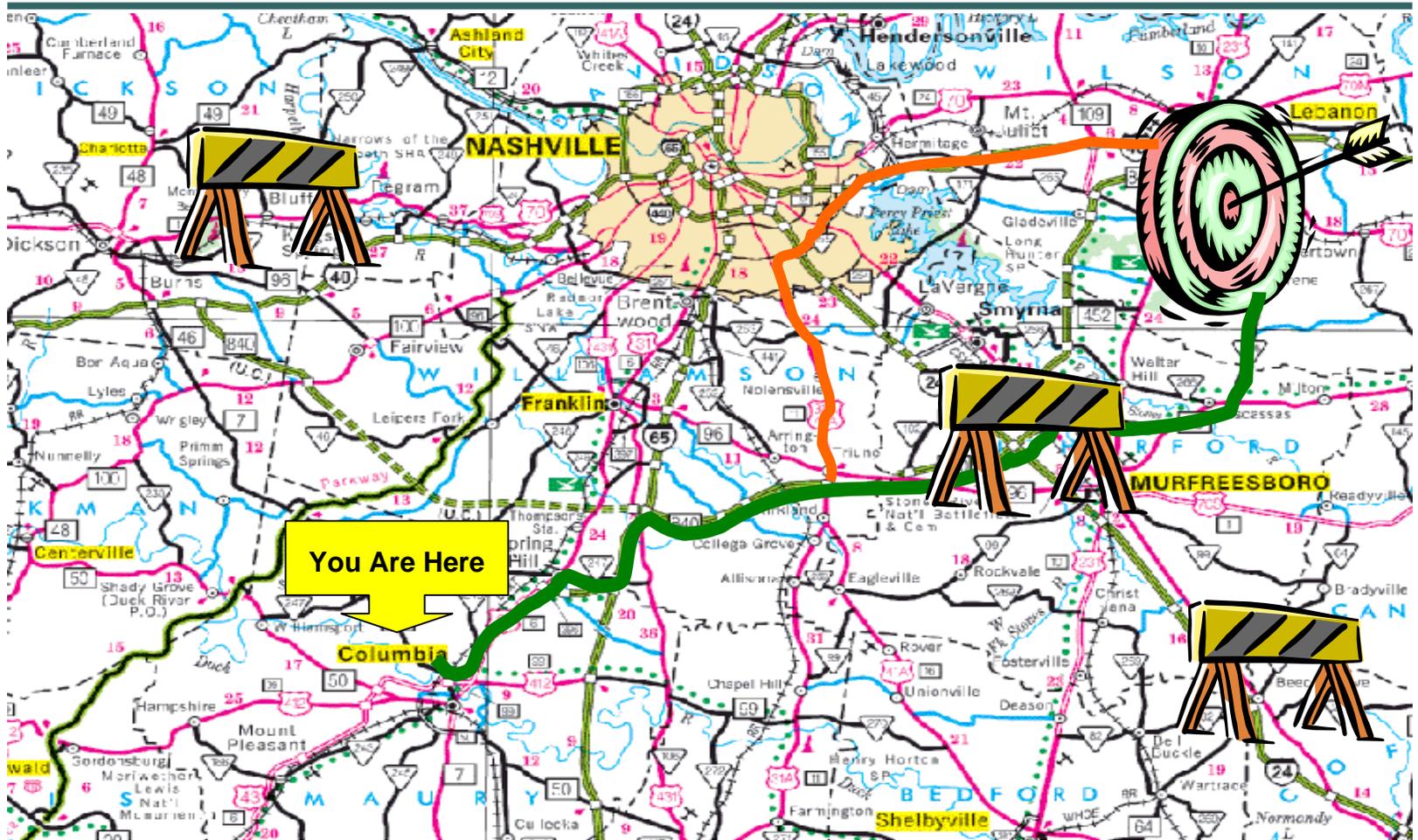


Marketing is...



Planning and executing a set of objectives to bring buyers and sellers together so that a sale can take place

A marketing plan is like a roadmap...



Why do it?

- Approximately 80% of new products and businesses fail within three years after they reach the market



- “success in agriculture is 10 percent production and 90 percent marketing”

Why do it?

- Market planning helps to determine
 1. If a profitable market exists
 - Able to produce at a cost low enough and sell at a price high enough to generate a profit
 2. The identity of the target market
 - Who is likely to purchase the product
 3. How to reach the target market
 - Price, Place, Promotion, Packaging

How to do it?

- Develop and implement a marketing plan
- Major elements:
 1. Market Research and Analysis
 2. Marketing and Financial Objectives/Goals
 3. Marketing Strategies
 4. Marketing Mix/Tactics
 5. Financial Analysis and Marketing Budget
 6. Monitoring and Evaluating Market Response
 7. Marketing Plan Check List

Market Research and Analysis

- Collection and evaluation of market and industry data relevant to the product
 - Doing your homework



Market Research and Analysis

- **Components**

1. Product Definition

2. Market Situation and Analysis

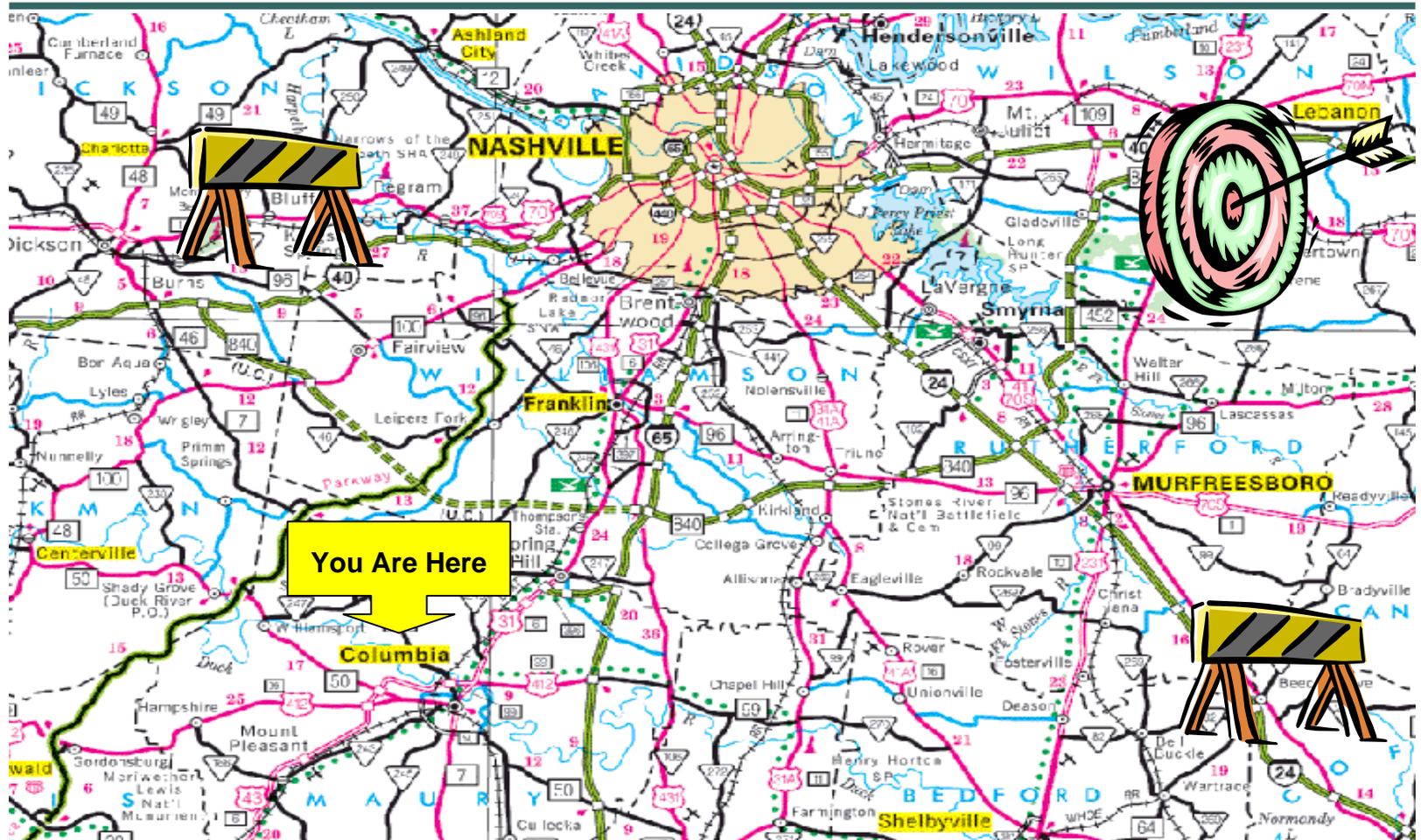
3. Competitor Analysis

4. SWOT Analysis

(Strengths, Weaknesses, Opportunities, and Threats)

5. Target Market/Customer Profile

Market Research and Analysis



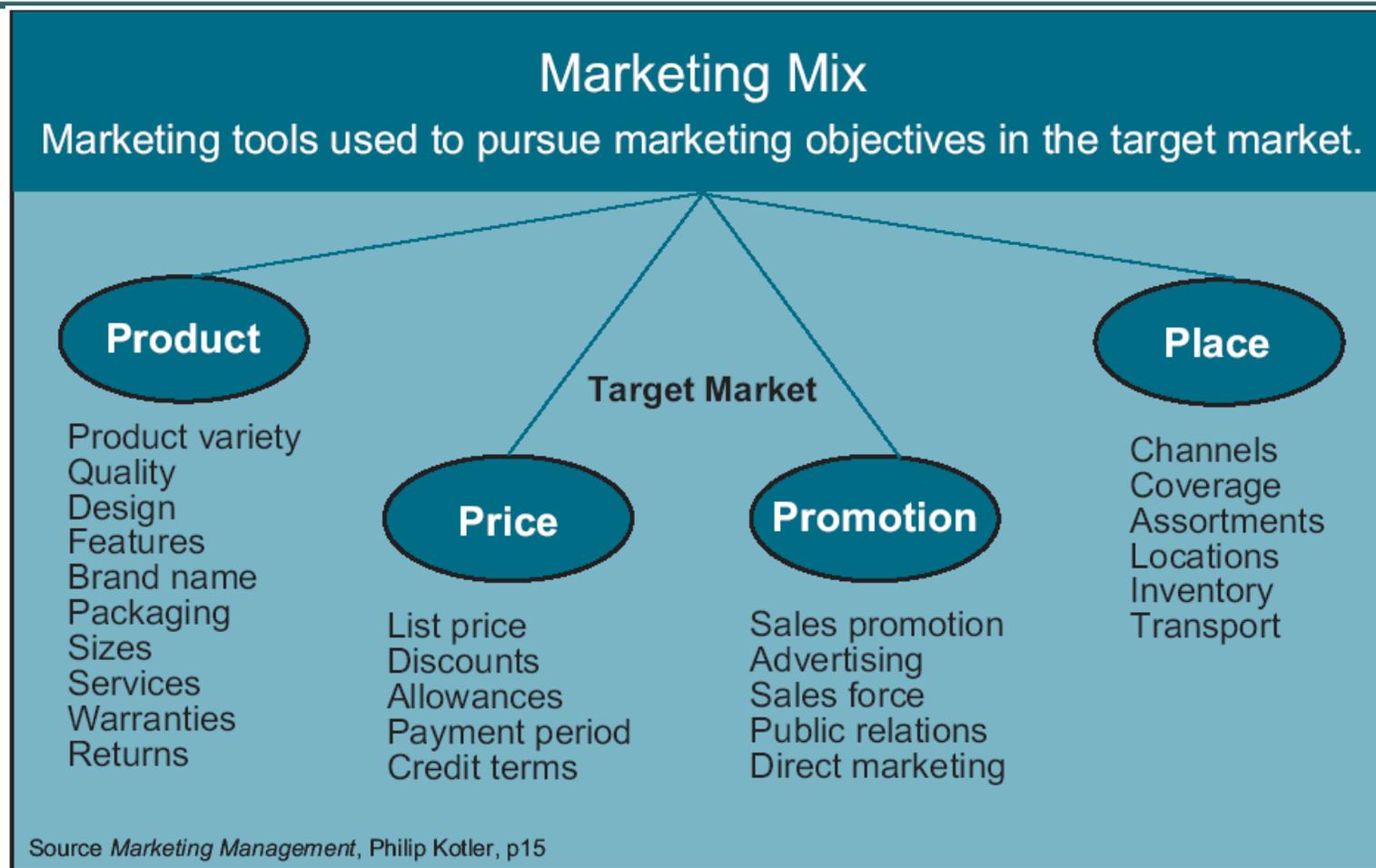
Marketing and Financial Objectives/Goals

- Detailed and specific goals
 - Quantified and measurable
 - What do you want to accomplish?
- Example:
 - To sell 1,000 jars of honey and 2,500 jars of peach preserves in 2004

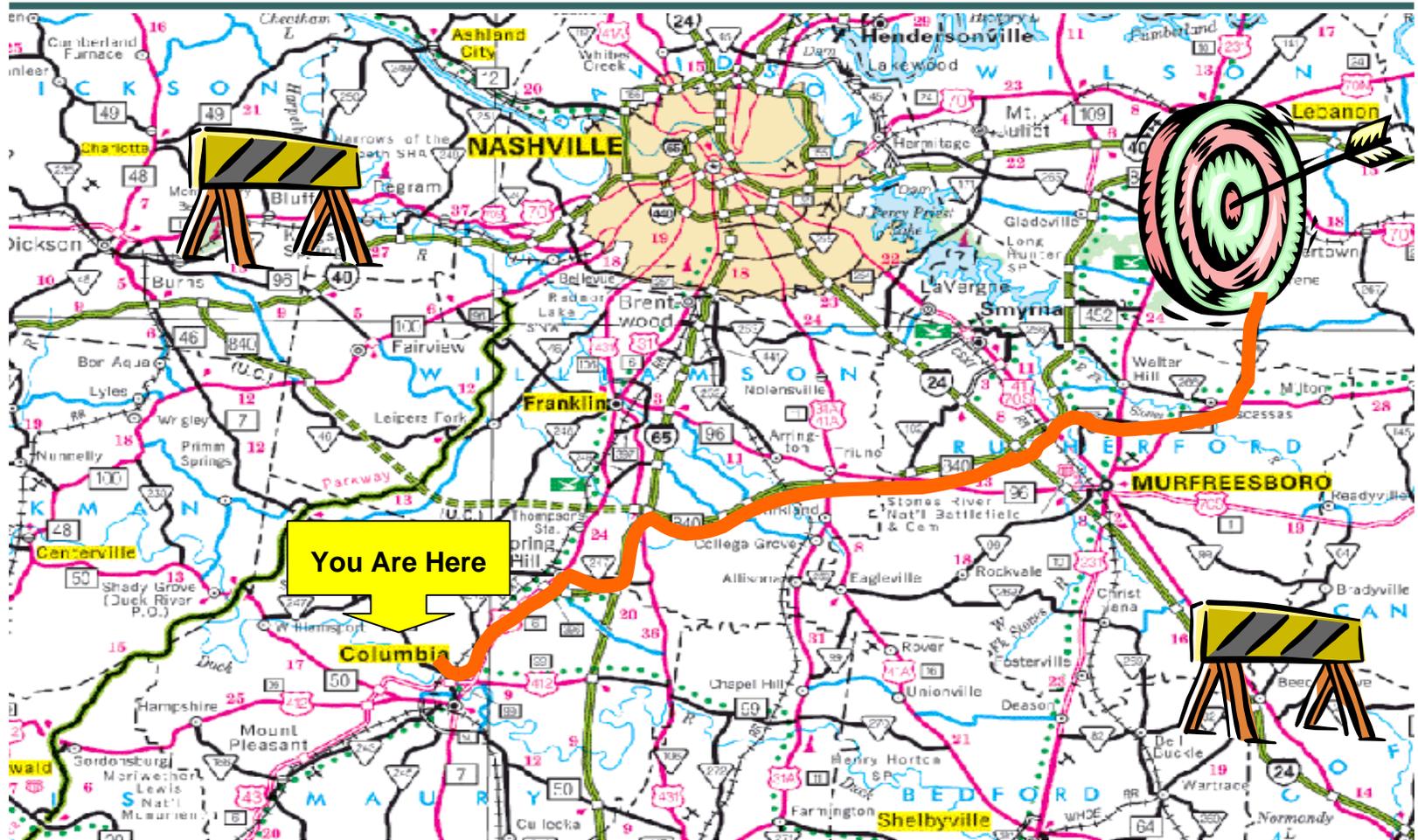
Marketing Strategies

- Define and describe strategies to reach goals
 1. Market Penetration
 - Strategies to gain market share in current market
 2. Market Development
 - Strategies to identify and tap new market or identify new uses for product
 3. Diversification
 - Strategies to add new products/activities
 4. Product Development
 - Strategies to add value to existing products or develop new products

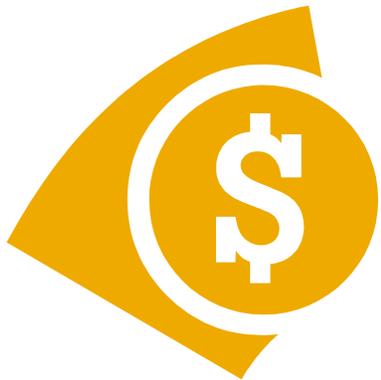
Marketing Mix/Tactics



Marketing Mix/Tactics



Financial Analysis and Marketing Budget

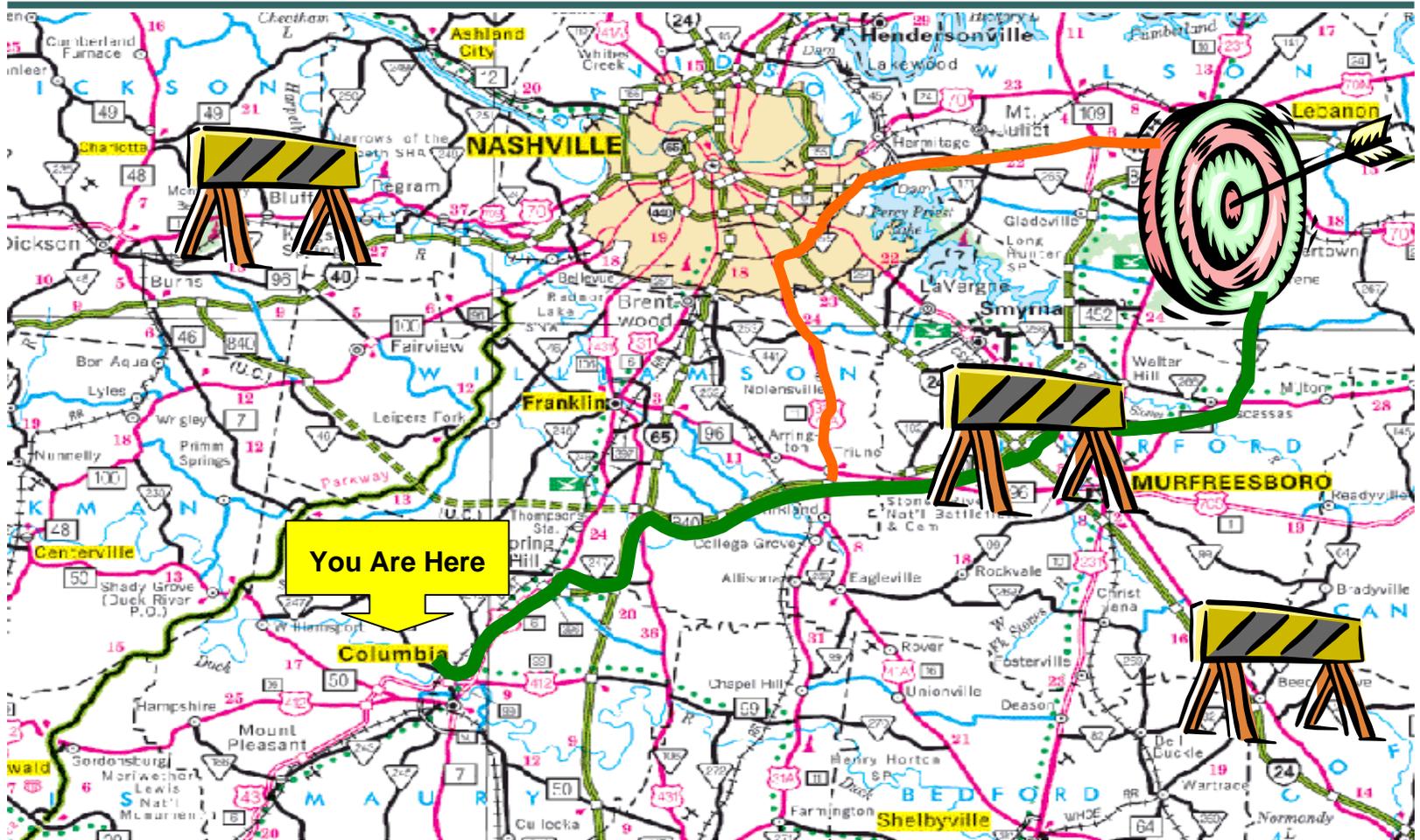


- Create based on expected sales and costs of marketing activities
- Marketing budgets often 5-10% of sales

Monitoring and Evaluating Market Response

- What are the results of your marketing efforts?
- Are you meeting your goals and objectives?
- Are your financial and budget projections accurate?
- Are adjustments needed?

Monitoring and Evaluating Market Response

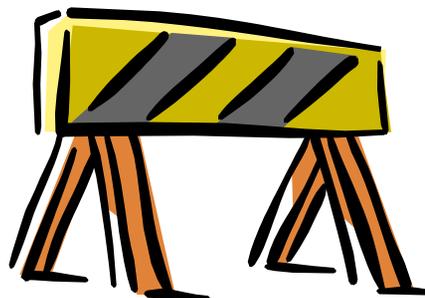


Marketing Plan Check List

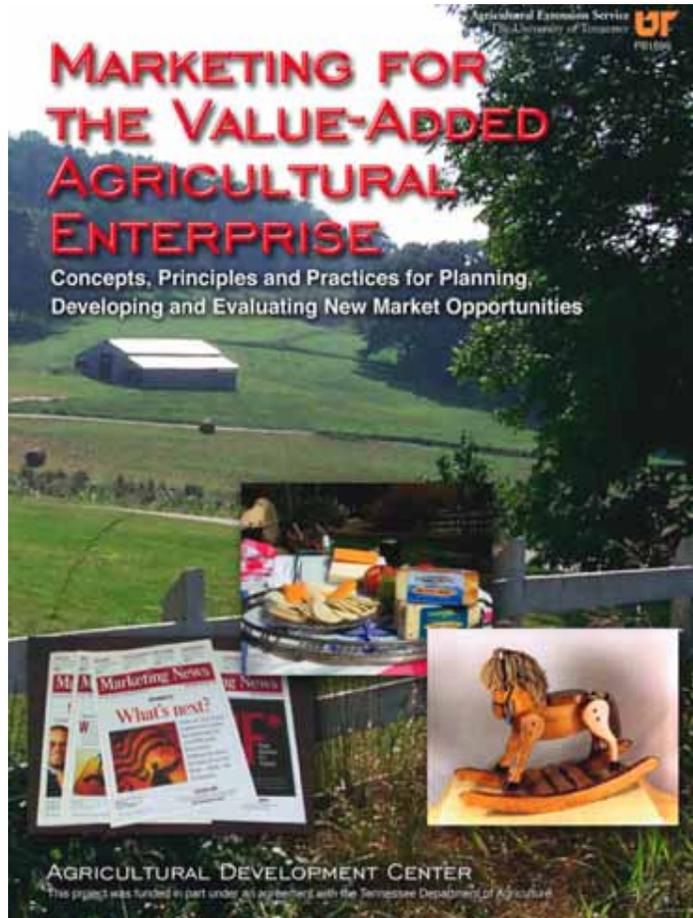
- List of marketing activities including
 - Date of planned implementation
 - Estimated cost
 - Method of evaluation
- Provides method to track marketing activities

Challenge

- Market conditions are dynamic
- Must continually monitor and adjust

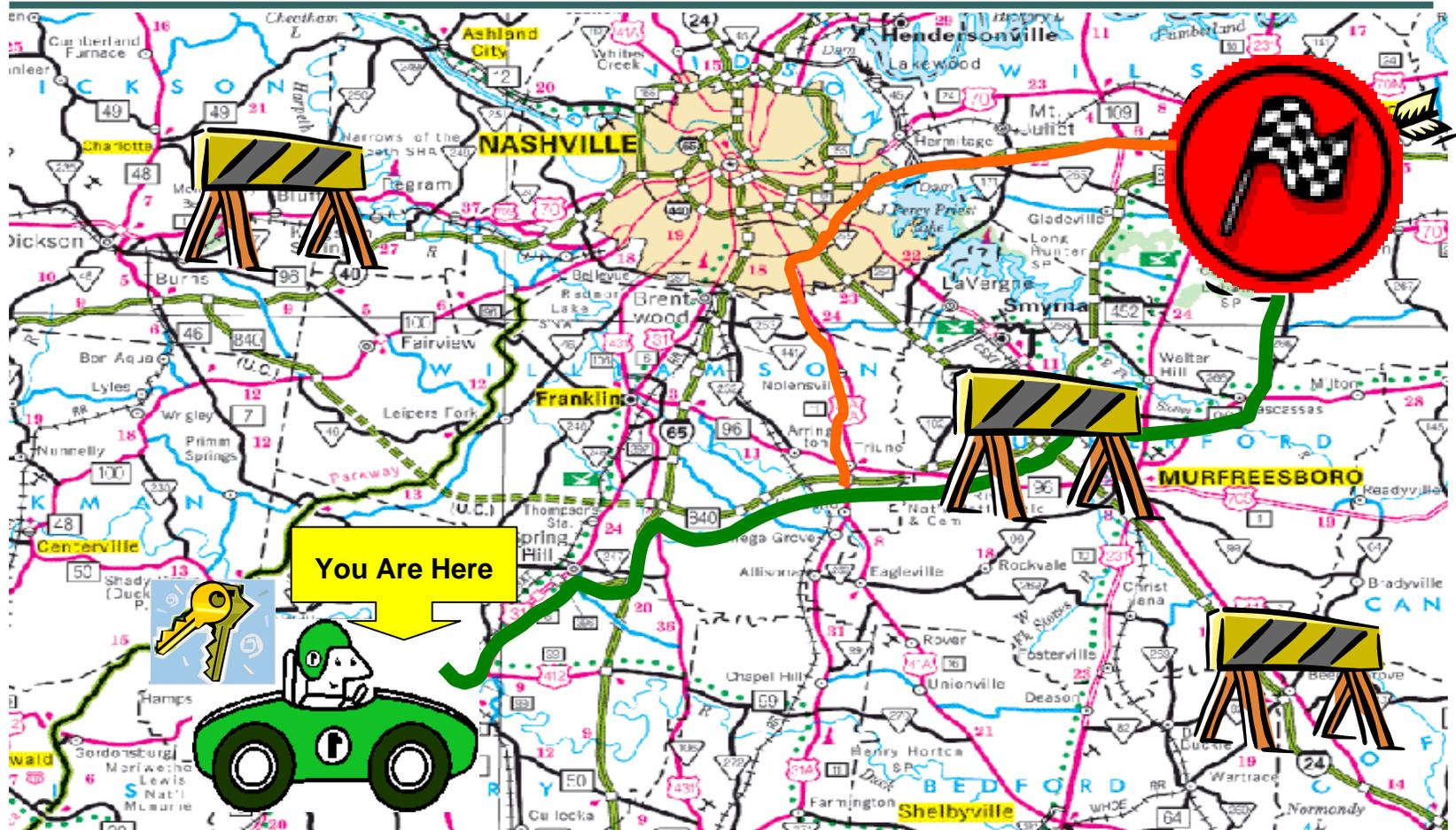


Resources



- Discussion of marketing issues
- Example marketing plan
- Available at <http://cpa.utk.edu>
- Get it, Read it, Apply it!!!

Marketing is planning and executing a set of objectives...



Contacting the Center

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